

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



**CORRECTED
FISCAL NOTE**

SB 407 - HB 464

March 24, 2015

SUMMARY OF BILL: Prohibits the Department of Correction (DOC) from certifying an inmate for a parole grant hearing, other than the initial statutory grant hearing, if (1) the inmate has not fulfilled all requirements of the inmate's parole plan that can be completed while incarcerated; (2) the inmate is a sex offender and the psychologist or psychiatrist's report is not available; or (3) the inmate has not completed any other requirement that must be completed by the time a hearing is requested.

Authorizes the Board of Parole (BOP) to deny parole to any inmate who (1) has made no attempt to improve his or her skills through available programs; (2) has more than one disciplinary infraction while incarcerated; or (3) is using the parole process to intimidate, harass, or abuse the victim.

ESTIMATED FISCAL IMPACT:

On March 22, 2015, a fiscal note was issued estimating the fiscal impact as follows:

*Increase State Expenditures – \$45,000 Highest Projected Cost of Next 10 Years
/Incarceration**

The impact statement did not include the cost for psychological evaluations for sex offender inmates. The estimated impact is:

(CORRECTED)

**Increase State Expenditures – \$45,000 Highest Projected Cost of Next 10 Years
/Incarceration*
\$124,200/General Fund**

Assumptions:

- The bill will require every inmate who is a sexual offender and up for parole to receive a psychological evaluation. The BOP reports that there were 159 parole hearings for sexual offenders in FY13-14. Only 21 received psychological evaluations at a cost of \$900 per evaluation.
- The bill would require all 159 to receive psychological evaluations, which is 138 additional evaluations. The bill will increase state expenditures by \$124,200 (138 examinations x \$900).

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- The bill will also result in some inmates serving more time than they would under current law. The DOC reports that several programs may be part of an inmate's parole program. The three most common are therapeutic community, group therapy, and pro social life skills.
- The DOC reports that there has been an average of 1,361 hearings each year for the past three years. During that time, approximately 93 inmates (62 therapeutic community program; 31 group therapy and pro social life skills programs) were released without completing the mandated programs. The DOC assumes that the inmates do not have time to complete the programs between the time of their initial hearing and the parole grant hearing.
- It is assumed that 10 percent ($62 \times 0.1 = 6.2$; $31 \times 0.1 = 3.1$) of the inmates being released each year without finishing the mandated programs will serve additional time while completing the mandated programs.
- Information from the DOC shows that the average time to complete a therapeutic community program is 10 months and two months for a group therapy or pro social life skills program.
- It is assumed that each inmate affected by the bill will have completed 60 percent of the program and will have to serve additional time while completing the remaining 40 percent of the program.
- Each of the six inmates participating in a therapeutic community program will serve an additional 121.75 days (10 months, or $304.38 \text{ days} \times 0.4$).
- According to the U.S. Census Bureau, population growth in Tennessee has been 1.12 percent per year for the past 10 years, yielding a projected compound population growth of 11.78 percent over the next 10 years. Population growth will account for one ($6 \times .1178$) additional admission for a total of seven ($6 + 1$).
- According to the DOC, 32.23 percent of offenders will re-offend within one year of their release. A recidivism discount of 32.23 percent has been applied to this estimate to account for the impact of offenders who would re-offend under current law within the additional time added by this bill. It is assumed that the re-offender would have committed the subsequent offense at the same felony level as under current law ($7 \text{ offenders} \times .3223 = 2 \text{ offenders}$).
- The maximum cost in the tenth year, as required by Tenn. Code Ann. § 9-4-210, is based on five offenders [$7 \text{ offenders} - 2 \text{ (recidivism discount)}$] serving an additional 0.83 years (121.75 days) for a total of \$8,039 ($\$66.03 \times 121.75 \text{ days}$). The cost for five offenders is \$40,195 ($\$8,039 \times 5$).
- Each of the three inmates participating in the group therapy and pro social life skills programs will serve an additional 24.35 days (2 months, or $60.88 \text{ days} \times 0.4$).
- According to the U.S. Census Bureau, population growth in Tennessee has been 1.12 percent per year for the past 10 years, yielding a projected compound population growth of 11.78 percent over the next 10 years. Population growth will not affect the fiscal impact of this legislation.
- A recidivism discount of 32.03 percent applies, but due to the low number of admissions added by this legislation, the recidivism discount does not impact the incarceration cost for the proposed legislation.
- The maximum cost in the tenth year, as required by Tenn. Code Ann. § 9-4-210, is based on three offenders serving an additional 0.17 years (24.35 days) for a total of \$1,608

(\$66.03 x 24.35 days). The cost for three offenders is \$4,824 (\$1,608 x 3).

- The total increase in state expenditures is \$45,019 (\$40,195 + \$4,824).

**Tennessee Code Annotated § 9-4-210 requires an appropriation from recurring revenues for the estimated operation cost of any law enacted after July 1, 1986 that results in a net increase in periods of imprisonment in state facilities. The amount appropriated shall be based upon the highest cost of the next 10 years.*

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink, appearing to read "Jeffrey L. Spalding", written in a cursive style.

Jeffrey L. Spalding, Executive Director

/trm